APRIL 1, 1963

30 YEARS OF U.S. TARIFF REDUCTIONS

GRAIN PRICES PROPOSED FOR EEC

GUATEMALAN COTTON

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

THE UNIVERSITY OF MICHIGAN
READING ROOM

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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VOLUME 1 • NUMBER 13

Guatemalan worker takes sample of cotton from bale for checking. See article on country's mounting output, page 6.

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

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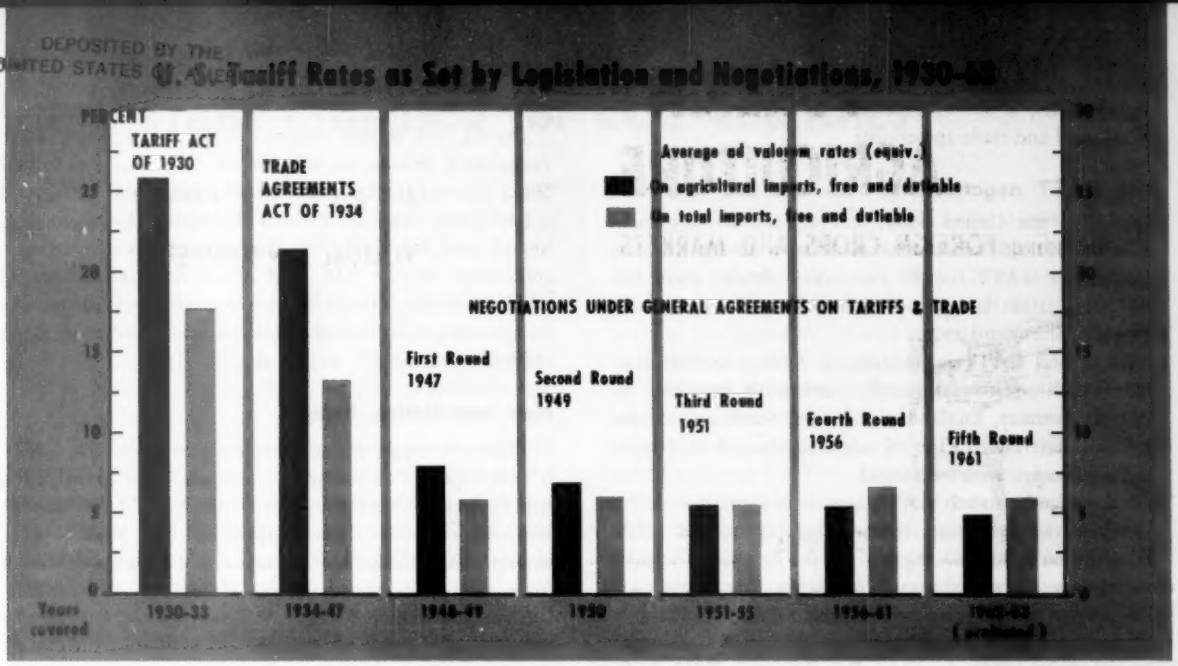

Agriculture and Tariff Negotiations —30 years of U.S. tariff reductions

By BENNETT D. POAGE
Trade Policy Division
Foreign Agricultural Service

Preparations for tariff negotiations under authority granted by the Trade Expansion Act of 1962 recall the role American agriculture has played over the years in contributing to a liberal U.S. trade policy.

This is significant because farm products are an important part of our foreign trade. Not only is the United States the world's largest exporter of agricultural commodities, but it is also one of the world's largest importers of farm products. In 1961 agricultural imports on a value basis amounted to $3,690 million, 53 percent of which were imports that supplemented agricultural products produced in the U.S. The remainder—47 percent—were imports complementary to U.S. agriculture and were largely imported free of duty.

Major imports falling in the duty-free category include vegetable fibers, carpet wools, certain hides and skins, cocoa, coffee, crude rubber, and tropical fruits. Of all imports in 1961, 30 percent were subject to a duty of 5 percent or less. Agricultural commodities in this category include canned hams and other pork, nuts, animal feeds, molasses, chocolate, certain fruits and vegetables, animal hair, and certain vegetable oils. The remaining imports enter at a duty greater than 5 percent; however, they comprise only 23 percent of the total.

Today's liberal reception of foreign commodities at U.S. ports is a far cry from the early 1930's. In those beginning years of the Depression, the United States, along with other major trading nations, developed highly protectionist and trade restrictive policies. The height of U.S. agricultural protectionism was reached in 1932. In that year, the overall agricultural dutiable tariff rate was 88 percent ad valorem, and the free and dutiable rate 28 percent.

Downward trend starts

Since 1934 U.S. tariffs—including those on agricultural commodities—have been coming down. The Reciprocal Trade Agreements Act of 1934 authorized the U.S. Government to engage in reciprocal bilateral tariff reductions, and the first bilateral negotiations under this program took place with Cuba in 1934. At that time, for example, U.S. duty rates on sugar were lowered from over 150 percent to 42 percent, expressed in ad valorem percentage, as a result of the negotiations. This was the start of a trend toward a series of bilateral tariff agreements that continued into the early 1940's.

World War II interrupted this trend. Following the war, the General Agreement on Tariffs and Trade (GATT), negotiated by many of the major trading nations of the free world, came into being. The GATT grew out of a common postwar resolve to expand international trade through a multilateral approach to the reduction of trade barriers. In the

United States, it served gradually to replace previous bilateral tariff and trade agreements.

First GATT negotiations

In 1947 the United States and 25 nations negotiated multilateral tariff concessions at Geneva under the auspices of the GATT for the first time. Results from this 1947 negotiation brought overall U.S. agricultural tariffs down 35 percent.

The second GATT negotiations at Annecy in 1949 lowered overall agricultural tariff another 18 percent. In 1951, at Torquay, England, the United States entered the third multilateral GATT tariff negotiations, and once again tariff concessions were exchanged.

Following the fourth GATT session at Geneva in 1956, the tariffs on agricultural imports dropped to and below the tariffs on industrial imports for the first time in modern history. The reductions following this negotiation were staged over a period of 3 years. In 1959, the first year following the completion of the tariff reductions negotiated in 1956, the U.S. agricultural tariff level on dutiable items was 10 percent against 88 in 1932.

The Dillon Round

The most recent GATT negotiations, completed in March 1962, further lowered U.S. tariff levels reciprocally. The tariff concessions made at that time by the United States were to become effective in two steps, the first on July 1, 1962, and the second this July. With the exception of the EEC, most of the tariff concessions made by other countries to the United States will also become effective by this July. The concessions granted by the EEC will become effective in stages, as the EEC countries complete their gradual adjustment toward the common external tariff (CXT). The CXT will, according to plans, become fully effective on December 31, 1969.

During the second phase of the recent negotiations (commonly known as the Dillon Round), the United States granted tariff concessions on agricultural items with a total trade value of about $142 million based on U.S. import data for 1960. Of this amount, about half were concessions to the EEC and about half concessions to other countries. The United States obtained concessions on agricultural items with a total trade value of about $161 million based on U.S. export data for 1960.

New negotiating base

The sixth round of tariff negotiations under the GATT is now expected to start early in 1964. Our participation will be based on authority contained in the Trade Expansion Act of 1962. The purpose of that legislation is, among other things, to maintain and enlarge—through trade agreements affording mutual benefits—foreign markets for American products. Basically, the Act permits the President to decrease by 50 percent any rate of duty existing on July 1, 1962. Beyond this, special authorities are outlined for certain negotiations with the European Economic Community, for tropical agricultural and forest commodities, and for treatment of low-duty products.

As in the past, the negotiations will be preceded by extensive public hearings, during which interested parties will have an opporunity to present views concerning the impact on domestic industries of tariff reductions possible under the Act. The extent to which the authority is ultimately used in any tariff negotiation will depend, of course, on the offers we receive for improved access to markets of our trading partners for U.S. goods, including agricultural products. It is mainly through exchange of mutual trade benefits, in the form of reciprocal tariff concessions, that the programs purpose will be served.

IMF To Help Compensate for Export Fluctuations

Members of the International Monetary Fund—particularly countries that export primary products—such as coffee and cocoa—have a new way to compensate for temporary fluctuations in their export earnings. To cope with a payments deficit arising from such a situation, the Fund now authorizes a member to draw not more than 25 percent of its quota in support of its balance of payments.

This new facility is available to Fund members provided that the Fund is satisfied as to two conditions: one, that the deficit is a short-term one largely caused by circumstances beyond the country's control; the other, that the country will cooperate with the Fund in an effort to find, where needed, appropriate solutions.

Many Fund members in such difficulties have in the past turned to the Fund and worked closely with it to overcome their problems. Even under previously established practices, the Fund has been able to finance deficits resulting from declines in export earnings, and members have frequently made drawings for this purpose. Under the new facility, however, the Fund is prepared to authorize drawings even if this means a waiver of the provision in the Articles of Agreement that limits a member's outstanding drawings to 125 percent of its quota.

The decision creating the new arrangement also deals with the possibility of raising quotas—particularly those that are relatively small—for certain primary exporting countries. The purpose would be to make these quotas more adequate in view of the fluctuations in earnings.

The Fund's decision appears in the conclusion of a report entitled "Compensatory Financing of Export Fluctuations," recently transmitted to the United Nations in response to an invitation extended last May by the U.N. Commission on International Commodity Trade. The report recognizes that, besides short-term aid, long-range action is needed to improve the economies of the primary exporting countries; and this action must come both from the countries themselves and from the industrialized countries. The primary exporters will need ready access to markets in the developed countries, as well as sustained technical and financial assistance.

Grain Prices Proposed for EEC Countries

By LYLE P. SHERTZ
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A proposal for the Common Market's 1963-64 grain target prices was submitted by the EEC (European Economic Community) Commission to the Council of Ministers on March 6, 1963. The proposal represents a first step toward bringing about an equalization between high West German prices and lower French prices for feed grains and wheat. As a proposal, it is subject to the approval of the Council, which is composed of representatives from each of the member countries, and if rejected by any member country, it would not become effective in its present form.

The proposal does not call for any sharp changes from the level of target prices effective in the 1962-63 season. Emphasis, however, appears to be shifting from wheat to barley as the key to the grain price levels, since the barley price has been selected as the one on which prices of the other grains will be based.

Upper and lower barley price limits of $100 and $77.50 per metric ton for EEC standard quality grain were proposed for the 1963 crops. These compare with last year's limits of $103.06 and $71.42 per ton for products of national standard quality. If the proposal is approved, the individual member countries would be expected to select barley target prices within the proposed limits.

Wheat, rye, and corn prices are to be tied to barley prices. Member states are to select wheat target prices, at 113 to 117 percent of selected barley target prices. and rye and corn target prices are to be 98 to 102 percent of the barley prices. These percentage regulations are to apply in both crop years, 1963-64 and 1964-65, even though the specified barley prices are to apply to only 1963-64.

An important feature of the proposal is that the 1963-64 target prices are to be in terms of the EEC standard quality rather than the national standard qualities as in the 1962-63 year. The effect of this facet of the proposal is shown in the "Adjustment to EEC Standard Quality" columns of the following table, which lists possible changes in target prices if the proposal is approved:

	Barley			Soft wheat		
Country	Adjustment to EEC standard quality	Harmonization adjustment	Total adjustment	Adjustment to EEC standard quality	Harmonization adjustment	Total adjustment
	Dol. M.T.	*Dol. M.T.*	*Dol. M.T.*	*Dol. M.T.*	*Dol. M.T.*	*Dol. M.T.*
W. Germany	3.62	—3.00	—6.62	—1.50	—1.87	—3.37
France	—	+5.31	+5.31	—	—	—
Italy	—	+6.60	+6.60	—	—4.40	—4.40
Belgium	—2.00	—	—2.00	—1.00	—1.04	—2.04
Netherlands		+4.19	+4.19	—1.00	5.52	5.52

Also shown in this table are "harmonization adjustments" which the Commission indicated would be consistent with their proposed target price limits. For example, the –$3 for West German barley represents the difference between last year's West German barley target price in the West German deficit-area of $103 per metric ton and the proposed 1963-64 upper limit of $100. The "adjustment to EEC standard quality" of $3.62 should be combined with the "harmonization adjustment" when appraising the total effect on West German internal prices. Last year's $103 target price in the West German deficit-area was for West German standard quality barley, which was considered to be $3.62 below the EEC standard—the quality level to which the proposed $100 is to be applicable.

Other changes in West Germany would involve price decreases of $3.37 for soft wheat and $8 for rye. In France, on the other hand, prices would be increased by $5.31 per metric ton for barley and by $3.50 for rye. Wheat would remain the same. The target price for French corn would be reduced by $1.24 per metric ton.

Italy would have an increase in its feed-grain prices along with a decrease in its wheat prices, for it is here that the greatest difference exists between wheat and feed-grain prices. The Italians would be exempt from strict interpretation of the ratio between barley and wheat for the coming season, and would be allowed to set their wheat prices 137 percent above the barley prices.

In submitting the proposal for the 1963-64 target prices the EEC Commission indicated prices which would be consistent with their recommendation. These prices, along with those effective in 1962-63 for wheat and barley, are shown in the following table:

Item	Barley		Soft Wheat	
	1962-63 [1]	1963-64 [2]	1962-63 [1]	1963-64 [2]
	Dol. per metric ton	*Dol. per metric ton*	*Dol. per metric ton*	*Dol. per metric ton*
Upper limit	103.06	100.00	118.92	—
Lower limit	71.42	77.50	65.71	—
West Germany [3]	103.00	100.00	118.88	117.00
France [4]	72.19	77.50	90.40	90.40
Italy [4]	66.40	73.00	104.40	100.00
Belgium [3]	86.80	86.80	102.60	101.55
Netherlands [3]	79.14	83.33	91.99	97.51

Note: Upper limits apply in deficit areas, lower limits in surplus areas.
[1] Applies to national standard quality.
[2] Applies to EEC standard quality.
[3] Applicable in deficit area.
[4] Applicable in surplus area.

The setting of the target prices, however, is only part of the price picture in the EEC. Intervention (support) prices must also be established in relation to the target prices. Last season intervention prices were established at 5 to 10 percent below the target prices.

In conclusion, while the Commission's proposal does not attempt to make any great changes in the price structure of the EEC for 1963-64, German wheat and barley prices would decrease slightly whereas French barley prices would increase somewhat. Germany and France currently have the highest and lowest target prices in the EEC.

Cotton Output Mounts in Guatemala

Larger exports are helping to fill the financial gap caused by reduced earnings from coffee and bananas.

By DALTON L. WILSON
U.S. Agricultural Attaché
Guatemala

Above, cotton awaiting shipment at port of Champerico. Best foreign customers for country's cotton are Japan, West Germany, and Italy.

Left, baled cotton is placed in open areas next to gin and shipped before rainy season starts. Output has increased fourfold in last 4 years.

Cotton, as a cash crop and foreign-exchange earner, has found favor with the farmers of Guatemala, and today the most striking feature of the country's fertile Pacific southwest coast is the white of the cotton fields contrasting with the green of banana plants, sugarcane, and lemongrass.

Historically, coffee and bananas have been the major export crops of this tropical region. Although Guatemala is noted for its good-quality coffee, the drastic decline in world coffee prices in recent years has shifted attention to other crops. Banana production has suffered from frequent wind storms and disease damage. In 1962 banana exports were estimated at 4 million stems compared with 7.3 million in 1960, and this same period saw the value of banana exports drop 50 percent. Furthermore, one of the two banana-producing and exporting companies has now completely withdrawn from Guatemala.

To help fill the foreign exchange gap that has resulted from the reduced coffee and banana earnings, Guatemala has now turned to cotton, beef, and sugar—particularly cotton, for the most significant change to take place in the country's agriculture in recent years has been the phenomenal increase in cotton output.

New lands planted

It was found that the volcanic soils and climatic conditions on the southwest Pacific coast were especially suited to cotton production. In recent years, large land areas formerly used for bananas, pasturelands, and new areas hued out of the jungle have been planted to cotton. Since 1959 the cotton area has expanded nearly 200 percent.

Production has mounted likewise—some 240 percent—reflecting higher yields. For the 1962-63 crop the yield of lint cotton is estimated at 669 pounds compared with 450 pounds in the mid-fifties.

These large yields are attributed to the new lands being brought into production, use of improved seeds and better farm management practices — particularly disease and insect control. Currently the high yields are obtained with little or no fertilizer; however, as the land becomes depleted, crop

rotation and fertilizer programs will need to be adopted if these yields are to be maintained. Cost of production ranges between $265 and $290 per *manzana,* with insect control and hand picking accounting for about 60 percent of this.

Foreign markets essential

Guatemala's cotton expansion is primarily directed toward foreign markets, as there are no immediate plans for expanding the country's textile industry. Last year local textile mills absorbed 20 percent of total production, but for this season's crop the figure is expected to drop 13 percent. In 1962 Japan was Guatemala's best cotton customer, taking nearly 70 percent of total exports. Germany and Italy also bought substantial quantities. This year a shift is expected in the marketing pattern, with a smaller share going to Japan and a larger one to Italy.

With such a large crop Guatemala may have some trouble selling its cottonseed. The crushing capacity of its oil mills has not kept pace with cottonseed production. Local mills are expected to utilize about two-thirds of the cotton seed from the 1962-63 crop, and the remainder, 31,000 metric tons, will be available for export. Through February only half of this had been sold.

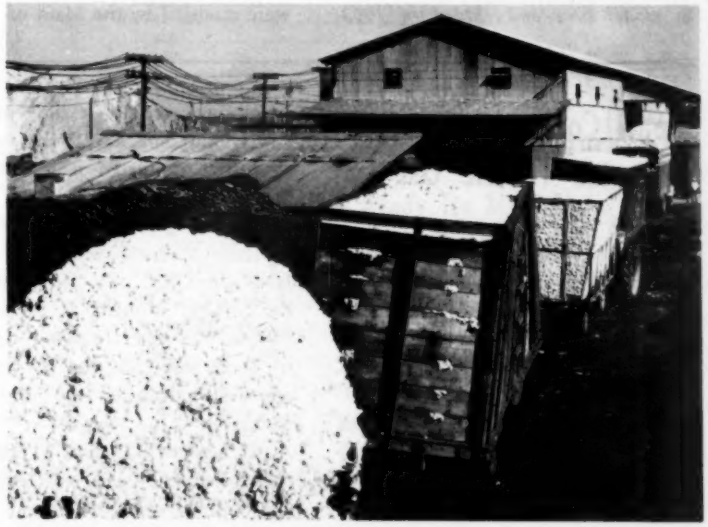
In the past 4 years, the value of Guatemala's agricultural exports have averaged $103 million a year. Cotton's share in this has increased. In 1959 cotton exports amounted to $4 million. This year they are expected to be close to $30 million.

Further increases likely

The next few years could well see further increases in cotton production —but at a slower rate. Some producers forecast that Guatemala will reach a production of 350,000 to 400,000 bales within the next 4 or 5 years. A few optimists feel that the potential is much greater. Most of those associated with the cotton industry indicate that labor could have a decided effect on the rate of expansion in cotton output. Currently, the supply of labor is causing some problems, particularly at harvest time.

Above, Guatemala's cotton fields are sprayed by airplane. Insect and disease control is partly responsible for the very large yields being obtained.

Right, mountains of cottonseed piled near gin, and below, cotton arrives at mill. Guatemala is having some trouble exporting its excess cottonseed this year.



25th Maid of Cotton To Show Cotton Styles in Italy, Spain, and Germany

The Maid of Cotton shows one of many high-fashion cotton gowns she is to model here and abroad in 1963.

The 1963 Maid of Cotton, Miss Shelby Smith, will leave next month on a tour promoting cotton in Italy, Spain, and Germany—three of the leading markets for U.S. cotton.

The itinerary, just announced by the Cotton Council International, will take her first to Paris at the end of May, and on to Italy for 6 days beginning June 3 in Rome, Milan, and Genoa. This will be followed by 6 days in Barcelona and Madrid, after which she will return to the United States for appearances here. She will go back to Europe in October to participate in the Berlin showing of 1964 ready-to-wear fashions.

Miss Smith's assignment, like those of the 24 Maids of Cotton who have preceded her in this time-honored cotton promotion, will be to meet with designers, star in fashion shows, give interviews, and attend diplomatic and other functions.

A recently completed 11-day tour of Canada was termed an "overwhelming success" by an official of the Canadian Cotton Council. For the first time, stores sold out of four patterns following a pattern show in which they were modeled by the Maid of Cotton.

Japan Cotton Center Promotes Textile Use

Japan's cotton spinners recently launched a new market promotion program called the Japan Cotton Center (JCC) to supplement the program of the Cotton Council International (CCI) and the All Japan Cotton Spinners Association. (CCI is a U.S. organization that works closely with FAS in encouraging expanded use of cotton abroad.)

Major emphasis this year will be on promoting cotton textile products, largely through advertising, and an aggressive campaign is planned. In "Cotton Corners" throughout department stores, cotton goods of major Japanese spinners will bear a gold label—the JCC seal signifying that the product is made of extra-quality cottons. In other retail outlets, quality goods will have the JCC mark of approval, regardless of the manufacturer.

An annual "Cotton Week" will be held during April and May in 20 key Japanese cities.

German Firm Analyzes U.S. Show at Munich

"The Groceteria approach (test-selling) definitely proved itself" at the Food U.S.A. Exhibit in the Munich Food Fair last fall, according to a Hamburg opinion research firm retained by USDA to analyze German reaction.

The Groceteria — a supermarket-type of exhibit where U.S. foods were sampled and s[illegible]—was "best liked and most interesting" to 30 percent of the 37,000 German consumers who visited it. Sixty percent of those not attending the Groceteria liked the soybean stand featuring french-fried potatoes cooked U.S. style in soybean oil.

A sampling of the 11,000 who bought U.S. products at the Fair also revealed that 9 out of each 10 queried said they would buy such products again, if possible.

Quoting the survey: "To have 10 percent of the audience buying the product and 9 percent expressing the intention to buy it again is an achievement for any advertising medium."

On the other hand, better use should be made of the food fair technique to establish contacts with local businessmen in order to set up a "chain reaction of sales." The survey strongly advised that more food industry representatives be on hand to answer technical questions.

An international food fair is the "right background" for the introduction of a new U.S. brand on a local European market, the survey held. However, it cautioned against using a fair as a substitute for a major test-market experiment. Such an experiment should run a full year and only if consumer response is satisfactory after such a period, should the new brand undertake a "full-fledged assault on the national market."

Attention was called to the wide national differences in food-eating habits and in trade structures which must guide the American exporter. Premiums and discount bargains are "practically forbidden" in Germany, which makes launching a new brand more difficult. However, Germans are more willing to try American-style cooking and food than others.

Severe Winter Hampers Russian Agriculture

Prolonged periods of freezing weather in the Soviet Union this past season have damaged several important winter crops and will delay spring planting.

Barley and wheat were damaged during early March, but rye, another important winter crop, is apparently in better condition. Last fall, the Soviet Union planted 13.8 million acres more to winter crops than the previous year, when such sowings were close to 90 million acres.

In the Central region, Moldavia, and the Ukraine, the soil froze to depths of 47, 39, and 45 inches. Unless the USSR has unusually warm weather this spring, a delay in soil cultivation and planting is anticipated.

Not all the winter weather was harmful, however. Heavy snowfalls in the south of the Ukraine, the Don and Volga regions, and the North Caucasus, have to some extent compensated for the shortage of moisture in these regions last fall. This does not apply to the New Lands, where soil moisture conditions do not appear to be particularly good.

Canada's Wheat and Flour Exports Lower

Canadian wheat and flour exports during the first half of 1962-63, at 165 million bushels, were 18 percent below those of July-December 1961, the best 6 months in recent years.

Wheat and flour exports were 151 million and 15 million bushels, respectively, during July-December 1962, compared with 186 million and 17 million bushels in the same months of 1961.

See the March issue of the monthly *World Agricultural Production and Trade Statistical Report* for story in detail and table showing wheat and flour exports by country of destination for July-Dec. 1961, and July-Dec. 1962.

India's Rice Crop Reduced by Drought

Even though India planted a record rice acreage in 1962-63, drought in States in the northeast reduced the crop considerably short of the 1961-62 record.

West Bengal is the hardest hit so far, with a cut estimated by the State government of about 750,000 metric tons of rough rice (500,000 milled) below last year. The State's rice supply available for consumption, excluding seed and waste, is reported to be short of requirements by more than 1 million tons of milled rice.

Supplies normally going to West Bengal from Orissa, under present zonal arrangements, are also likely to be curtailed. Drought has been serious in Orissa and Bihar, two other important rice-growing States of the northeast.

Final estimates for the southern States of Madras, Mysore, Andhra, and Kerala, where higher production is expected, may offset these losses to a lage extent.

India's total rice acreage reported in the second official estimate for 1962-63, was a record 80,496,000 acres, compared with 79,624,000 in the corresponding estimate for 1961-62. These estimates do not include about 5 million acres planted later in the season and reported in later estimates.

Acreage increased mainly in Andhra, Pradesh, Gujarat, and West Bengal. However, drought in Bihar and Assam reduced plantings.

RICE: INDIA'S SECOND ESTIMATE OF PLANTED ACREAGE, 1962-63

State	1961-62 adjusted estimate	1962-63 second estimate	Increase or decrease
	1,000 acres	*1,000 acres*	*1,000 acres*
Andhra Pradesh	5,902	6,294	+392
Assam	4,352	4,315	— 37
Bihar	12,951	12,768	—183
Gujarat	1,074	1,290	+216
Kerala	1,675	1,736	+ 61
Madhya Pradesh	10,174	10,205	+ 31
Madras	4,349	4,385	+ 36
Maharastra	3,088	3,154	+ 66
Mysore	2,316	2,398	+ 82
Orissa	9,989	9,989	—
Punjab	1,095	1,087	— 8
Uttar Pradesh	10,425	10,450	+ 25
West Bengal	10,744	10,925	+181
Others	1,490	1,500	+ 10
Total	79,624	80,496	+872

All-India Second Estimate of Rice, 1962-63, February 22, 1963.

The Ivory Coast's Rice Imports

The following table shows the Ivory Coast's rice imports for 1960 and 1961, and the average for 1957-59:

IVORY COAST IMPORTS OF RICE, 1960-61

Country of origin	Average 1957-59	1960	1961
	Metric tons	*Metric tons*	*Metric tons*
Brazil	90	0	3,056
Burma	0	0	4,511
Cambodia	10,894	6,638	2,812
South Vietnam		17,422	3,167
China, Mainland	6,180	0	11,670
France	1,260	11,208	263
Portugal	1,649	0	0
Spain	1,433	0	0
United States	1,651	0	1,995
Other countries	1,925	0	6,393
Total	25,083	35,268	33,867

Compiled from official statistics.

Ivory Coast Coffee Ready for Market

The 1962-63 coffee crop of the Ivory Coast has been registered with the official Office of Coffee Stabilization (Caisse de Stabilization de Cafe). This Office controls the internal marketing and exports of the country's coffee, and as of March 2, its coffee purchases were far ahead of the previous year's.

Total coffee purchases were 137,000 metric tons (2,283,333 bags of 132.3 pounds). Sales for export of the 1962-63 crop totaled 53,000 metric tons (883,333 bags) by February 21.

Guatemalan Fiber Production Lower

Kenaf, the only soft vegetable fiber of significance produced in Guatemala, decreased in 1962-63 by 27 percent from the preceding year. The acreage is now less than 900 acres. One large producer stopped operation last year.

The two plants which are manufacturing kenaf sacks are campaigning for expanded acreage and output in 1963-64.

Consumption of kenaf fiber in 1962-63 was estimated at 3.5 million pounds, or nearly 20 percent more than in the preceding year. Domestic supply is supplemented by imported kenaf from Thailand. Enough kenaf yarn is also imported for manufacture into about 800,000 bags.

Henequen, the only hard vegetable fiber of local significance, was reduced in area by 86 acres because of fire. This area has not been replanted. Current acreage is slightly over 500 acres. The Guatemalan crop supplies about 80 percent of local requirements. The balance is imported from Mexico and Haiti.

Zanzibar Plans More Clove Oil Exports

The Zanzibar Clove Growers' Association has contracted to purchase from the United Kingdom £ 50,000 ($140,000) worth of distillation equipment for the processing of cloves into clove oil. The contract calls for the delivery of boilers, stills, condensers and ancillary plants, and an experimental still for the production of lime oil, ylang oil, and other products. Delivery is scheduled for sometime in 1964 for the Association's new factory in Pemba.

Zanzibar is the world's largest producer of cloves, exporting about three-fourths of the cloves entering world trade. However, in exports of clove oil, Zanzibar is second to the Malagasy Republic.

India Said To Be Upping Sugar Output

India's Central Government has reportedly approved plans to increase sugar output by almost one-fourth to meet growing domestic consumption and export demands. Currently 1962-63 production is expected to be 3.5 million short tons, including Khandsari, while domestic consumption is an estimated 3.3 million tons and export sales range around 550,000 tons. Stocks as of the beginning of November could dip to around 440,000 tons from a carryover of 1 million this year. The target for 1963-1964 production is 4.3 million tons, including Khandsari sugar.

Swiss Buying Less Coffee

Imports of green coffee into Switzerland during calendar year 1962 totaled 506,678 bags (132.3 pounds). This is about 7 percent below the 540,013 bags imported in 1961, but above the 497,676 bags imported in 1960.

Switzerland increased its imports from Brazil in 1962. These imports amounted to 142,984 bags, compared with 129,794 bags in 1961.

Ireland Sets Beef Buying Record

Sixteen U.S. breeding cattle—the biggest number ever purchased by Ireland's Ministry of Agriculture—have arrived in Dublin and are undergoing extensive veterinary tests while waiting out the usual quarantine period of several weeks.

The cattle—9 Charollais heifers, 5 Charollais bulls, and 2 polled Hereford bulls—will be used extensively in Ireland's experimental program to upgrade its beef.

The Charollais were bought from the United States rather than from France, their place of origin, because of hoof-and-mouth disease in that country.

The Chief Inspector for the Ministry of Agriculture made a special trip to the United States in order to personally select the animals. He contacted various beef producers throughout the country, aided in his search by the USDA. Before the animals were shipped out of the United States, the Veterinary Service of USDA's Agricultural Research Service cooperated in inspecting the cattle.

January Livestock, Meat Imports Down

January imports of nearly all categories of livestock and meat products into the United States were sharply below the same month last year, with red meat down about one-fifth, wool nearly one-fourth, and hides and skins from two-fifths to four-fifths.

Most of the drop was the result of the shipping strike in effect during most of January. Unaffected by the dock tie-up were imports of live cattle, mostly feeder animals shipped by truck and rail from Mexico and Canada. Arrivals in January 1963 totaled 142,826 head compared with only 88,217 a year earlier.

U.S. IMPORTS OF LIVESTOCK PRODUCTS

Item	January 1962	January 1963	Percent change from 1962
	1,000 pounds	*1,000 pounds*	*Percent*
Red meats:			
Fresh frozen, canned, and cured beef & veal	64,847	56,852	—12
Other meats [1]	2,366	1,566	—34
Total beef & veal	67,213	58,418	—13
Pork	17,358	13,483	—22
Mutton	9,533	4,180	—56
Lamb	978	933	—5
Total red meat	95,082	77,014	—19
Variety meats	308	181	—41
Wool (clean basis):			
Dutiable	12,517	9,660	—23
Duty-free	10,510	8,005	—24
Total wool	23,027	17,665	—23
Hides and skins (1,000 pieces):			
Cattle	36	20	—45
Buffalo	24	40	+67
Calf	39	44	+13
Kip	36	18	—50
Sheep and lamb	2,330	361	—85
Goat and kid	1,109	590	—47
Horse	37	18	—51
Pig	213	84	—61
Live cattle [2] (Number)	88,217	142,826	+62

[1] Other meat, canned, prepared, or preserved. [2] Includes cattle for breeding.

U.S. Department of Commerce.

U.K. Lard Imports Rise in January

United Kingdom lard imports in January were 31.5 million pounds, 10 percent above January 1962.

The United States continued to be the major supplier,

providing 80 percent of the total, up from 70 percent in January last year. Poland supplied increased amounts; Belgium, Denmark, and Germany, reduced amounts.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN

Country of origin	January 1962		January 1963	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	19,958	69.9	25,359	80.5
Belgium	2,332	8.2	975	3.1
Denmark	2,305	8.1	1,280	4.1
France	1,323	4.6	1,485	4.7
Germany, West	1,120	3.9	—	—
Poland	572	2.0	1,644	5.2
Netherlands	470	1.6	482	1.5
Sweden	450	1.6	215	.7
Others	31	.1	72	.2
Total	28,561	100.0	31,512	100.0

Henry A. Lane & Co., Ltd.

Australian Meat Moves to the U.S.

The *Kristin Bakke* left Australia the last week of February with 501,760 pounds of beef and 56,000 pounds of mutton for the United States.

Sailing date	Destination [1]	Arrival date	Cargo	Quantity
				Pounds
Feb 28	Seattle	Apr. 23	Beef	132,160
	Portland	do. 28	do.	188,160
	Los Angeles	May 5	do.	13,440
	San Francisco	do. 12	do.	168,000
	do.	do.	Mutton	56,000

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

Japan Buys Cheese for School Program

An agreement is being negotiated between the Dairy Boards of New Zealand and Australia and the Japan Dairy Products Association with regard to cheese for the Japanese school lunch program.

The plan originated with the New Zealand Board which has done a great deal of promotional work with a view to developing a market for dairy products among the coming generation of Japanese consumers. So far, the Board has supplied 22,000 pounds of cheese in order to evaluate probable demand in 20,000 Japanese schools.

The Japanese School Lunch Association, with whom arrangements are being made, provides lunches for over 8½ million children. The cheese is being supplied at a price that is lower than would normally be acceptable, but New Zealand regards the long-term prospects of such importance as to justify the lower price.

According to the present agreement, Australia and New Zealand will share equally in supplying 6.7 million pounds for a 3-year period. At the end of this period, the terms of the agreement will be reconsidered. The cheese will be handled by processors in Japan who will pass it on to administrators of the school lunch program.

Barbados Plans Dairy Processing Plant

The Government of Barbados has completed a contract with the New Zealand Dairy Production and Marketing Board and the Northern Dairies of Great Britain for the establishment of a dairy processing plant in Bridgetown, Barbados.

The plant will cost approximately $600,000 with New Zealand and the English firm putting up 25 percent each and the balance being met by a public stock issue. The Barbadian Government envisages a plant which would be capable of pasteurizing and bottling 2,500 to 3,000 gallons of fresh whole milk per day, with additional capacity for reconstituting an unspecified volume of powdered milk.

The purpose of the plant will be to encourage the raising of dairy cattle by small farmers on the island and to provide an outlet for raw milk. Since there is no pasteurization of milk in Barbados, considerable foreign exchange is used in importing powdered and condensed milk.

Sweden's Butter and Cheese Exports Higher

Sweden exported more butter and cheese in 1962 than in 1961, less of other dairy products.

Butter shipments, the highest since 1958, totaled 37 million pounds, compared with 19 million pounds in 1961. Sales to the United Kingdom were more than 15 million pounds, an increase of approximately 10 million over a year ago. Among other destinations were West Germany, 10 million pounds (8 million in 1961); Italy, 8 million (1 million); and Switzerland, 2 million in both years.

Exports of cheese—almost entirely hard types—rose from 7 million pounds to 12 million. Of this quantity, West Germany took 5 million pounds, or 3 million pounds more than in 1961. Other major purchasers were Italy, 4 million pounds, and East Germany, 2 million pounds. Sales to the United States were up to 303,000 pounds from 107,000 pounds in 1961.

Dry milk shipments declined 10 percent to 3 million pounds, taken mostly by West Germany and Switzerland.

Cheese was the only dairy product imported in any sizable quantity in 1962. Total purchases of 18 million pounds were about 2 percent above 1961. Denmark supplied half of 1962 imports, the Netherlands, Finland, Switzerland, Italy, and Norway most of the remainder.

U.K. Extends Butter Import Controls

The British Government has extended controls on butter imports for 12 months, ending March 31, 1964. Announcement was made on February 26 that imports for this period will be increased by 5 percent on a pro rata basis to provide for a total of 918 million pounds compared with 874 million pounds for 1962-63. (See *Foreign Crops and Markets*, April 9, 1962).

Large Supply of Cashews in India

India's 1963 supply of cashews is forecast at 234,000 short tons (raw nuts)—7,000 tons above last year. Its production, however, is estimated at about the same level as last year's normal-size crop (73,000 tons) although flowering indicates harvesting may be delayed. The larger supply this year will come from imports. Beginning stocks (est. 10,000 tons) are half the previous season's.

Imports of African cashews during 1963 are forecast at 151,000 short tons. About 90,000 tons are reported to have been imported already. Tanganyika (representing about 90 percent of the 1963 harvest) supplied 73,000 tons of this amount and Mozambique, 17,000 tons. If the present import intent is to be realized, approximately 61,000 tons will have to be imported, most of which must come from Mozambique.

Cashew kernel exports from India in 1962 are estimated at about 1,970,000 cases (50 pounds net). During the first 11 months (January-November) of 1962, a total of 1,896,166 cases were shipped. Exports during this 11-month period were over 90,000 cases above the 12-month record for 1961 of 1,803,624 cases. Indian kernel exports should exceed 2,000,000 cases in 1963, attaining another new high.

The United States continues to be the largest buyer of Indian cashew kernels, receiving over 50 percent of total exports. Shipments to the USSR and other Communist Bloc countries increased considerably in 1962, accounting for 22½ percent of India's cashew exports. East Germany reportedly purchased almost 142,000 cases during the first 11 months of 1962, of mostly butts and pieces.

The increase in exports to other countries has been attributed, in part, to the Cashew Export Promotion Council.

INDIAN CASHEW KERNEL EXPORTS 1960-62

Destination	1960	1961	Preliminary 1962 [1]
	50-pound case	*50-pound case*	*50-pound case*
United States	1,170,542	1,117,873	1,069,091
USSR	232,992	167,312	227,976
Other Communist Bloc	50,200	30,415	198,716
United Kingdom	113,429	149,340	101,910
Canada	60,360	71,773	59,832
Australia	53,000	58,087	58,297
Others	26,616	208,824	180,344
Total	1,707,139	1,803,624	1,896,166

[1] 11 months, January-November.

INDIAN CASHEW NUTS 1961-62, FORECAST 1963

Item	1961	1962	Forecast 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks	—	20,000	10,000
Production	73,000	73,000	73,000
Imports	145,000	134,000	151,000
Total supply	218,000	227,000	234,000
Domestic disappearance	6,000	7,000	9,000
Exports [1]	[1] 1,803,624	[1] 1,970,000	[1] 2,000,000
Ending stocks	20,000	10,000	12,000
Total distribution	218,000	227,000	234,000

[1] Kernels in 50-pound cases; 1 short ton from nuts yields about 469 pounds of packed kernels.

Iranian Almond Blossoms Damaged

Iranian officials have tentatively estimated that from 10 to 30 percent of the almond blossoms of Azerbaijan, the main almond area, were destroyed by the heavy snow and light freeze occurring in early March.

The almonds had blossomed prematurely following generally mild and, at times, unseasonably warm winter weather. It is said to be too early to definitely assess the extent of the damage, particularly since the snowfall provided valuable moisture which will have an offsetting beneficial effect. The highest percentage of damaged blossoms was reported in the important Tabriz district.

U.K. Sets Fresh Grapefruit Quota

The British Government has announced the 1963 import quota for fresh grapefruit from the Dollar Area. The quota will extend through the 7-month period March 1 to September 30, 1963, with a value limit of 1,150,000 (pounds sterling) c.i.f.

Dock Strike Curtails January Tobacco Exports

A dock strike, in effect during most of the month of January 1963, sharply curtailed U.S. exports of unmanufactured tobacco and tobacco products during that month.

Exports of unmanufactured tobacco, at 6.5 million pounds, were only about one-third of the 19.8 million shipped out in January 1962. The value of exports in January 1963 was $5.8 million compared with $14.6 million in January 1962. For the period July 1962-January 1963, U.S. exports of unmanufactured tobacco totaled 305.3 million pounds—down 17 percent from those of July 1961-January 1962.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO BY TYPE, JANUARY 1962 AND 1963

(Export weight)

Type	January 1962	January 1963	Percent Change	January 1962	January 1963
	1,000 pounds	*1,000 pounds*	*Percent*	*1,000 dollars*	*1,000 dollars*
Flue-cured	15,729	5,779	—63.3	11,307	5,203
Burley	1,248	332	—73.4	1,144	296
Dark-fired Ky.-Tenn.	1,025	30	—97.1	531	13
Va. fire-cured [1]	358	65	—81.8	243	30
Maryland	584	—	—	465	—
Green River	147	—	—	69	—
One Sucker	16	16	—	7	8
Black Fat, etc.	214	20	—90.7	193	17
Cigar wrapper	285	43	—84.9	522	160
Cigar binder	33	3	—90.9	31	3
Cigar filler	—	—	—	—	—
Other	117	196	+67.5	65	48
Total	19,576	6,484	—67.2	14,577	5,778

[1] Includes sun-cured. Bureau of the Census.

Exports of tobacco products in January 1963 were valued at $2.6 million, compared with $9.1 million in January a year ago. All categories of products dropped.

U.S. EXPORTS OF TOBACCO PRODUCTS, JANUARY 1962 AND 1963 WITH PERCENT CHANGE

Products and value	January 1962	January 1963	Percent Change
Cigars and cheroots *1,000 pieces*	1,187	496	—58.2
Cigarettes *Million pieces*	1,861	581	—68.8
Chewing and snuff *1,000 pounds*	41	1	—97.6
Smoking tobacco in pkgs. *1,000 pounds*	42	5	—88.1
Smoking tobacco in bulk *1,000 pounds*	709	131	—81.5
Total declared value *Million dollars*	9.1	2.6	—71.4

Bureau of the Census.

Cigarette Output Rises in Malaya

Cigarette output in the Federation of Malaya continued upward through the first half of 1962. Production amounted to 5.4 million pounds, or almost 40 percent greater than the 3.9 million produced in January-June 1961. If the percentage gain continued during the last half of 1962, production for full calendar year 1962 approached 13.0 million pounds, compared with 9.5 million for 1961.

Production of cigars and cheroots, at 833,000 pounds, was only slightly above the January-June 1961 level of 831,000 pounds. Output of smoking mixtures was down about 6 percent from 1.1 million pounds produced during the first 6 months of 1961.

Usings of leaf tobacco during the first half of 1962 totaled 7.5 million pounds, compared with 6.1 million for the same period in 1961. Use of foreign leaf continues to increase on both an absolute basis and as a percentage of the total. Foreign leaf represented 64.2 percent of total usings during January-June 1962 compared with 58.6 and 36.4 percent for calendar years 1961 and 1959.

The Federation of Malaya's imports of unmanufactured tobacco during January-June 1962 totaled 5.5 million pounds. Imports from the United States amounted to 2.2 million pounds, the Rhodesias-Nyasaland 2.1 million, and India 1.2 million.

Norway's Cigarette Output Down

Cigarette output in Norway during the first 10 months of 1962 totaled 1,092 million pieces—down 2 percent from the 1,113 million produced in the same period of 1961. If the percentage decline continued through November and December of 1962, output for the full calendar year 1962 approximated 1,300 million pieces, compared with 1,330 million for 1961, and the 1960 high of 1,469 million.

New Cigarette Factory in Northern Rhodesia

The construction of a new cigarette factory in Lusaka, Northern Rhodesia, is being planned by the Rhodesia and Nyasaland Tobacco Company of Salisbury. Initially, the project will be a pilot plant making only one of the company's brands, but future plans are to promote exports to other African countries.

Egypt Raises Domestic Cotton Prices

Egypt recently announced higher support prices to farmers for certain grades of cotton to be harvested next season.

The guaranteed price at Alexandria for Karnak, grades Good/Fully Good and above, was raised 2 metric tallaris per kantar (about 0.83 U.S. cents a pound). Karnak, Good/Fully Good, will be supported at 81 tallaris per kantar (about 33.67 U.S. cents per pound). Dendera, Good through Extra, was raised 3 tallaris per kantar, while lower grades of Dendera will correspond to comparable grades of Ashmouni. Ashmouni, Good and above, was raised 1 tallari per kantar. Ashmouni, Good, will be 67 tallaris per kantar next season (27.85 U.S. cents per lb.). Support price for other varieties will not change.

Canadian Cotton Consumption Drops Slightly

Canadian cotton consumption, indicated by the number of bales opened by mills, was 31,000 bales (500 pounds gross) in February, compared with 33,000 in the preceding month and 34,000 in February 1962.

Consumption during the first 7 months (August-February) of the current season amounted to 229,000 bales. This is slightly below the 236,000 bales used in the same period of 1961-62, but well above average consumption of 213,000 in the first 7 months of the past 5 seasons.

U.S. Cotton Linters Exports Down

U.S. exports of cotton linters, mostly chemical qualities, totaled 129,000 running bales during the first 6 months (August-January) of the 1962-63 season. This was 4 percent below the 134,000 bales shipped in the first half of 1961-62. Exports in January amounted to 23,000 bales, compared with 24,000 in the preceding month, and 31,000 in January 1962.

Quantities exported to principal destinations from August 1962 through January 1963, with comparable 1961-62 figures in parentheses, were: West Germany 64,000 (65,000); Japan 38,000 (28,000); Canada 10,000 (8,000); United Kingdom 9,000 (24,000); Netherlands 6,000 (1,000); and France 1,000 (5,000).

U.S. Exports of Soybeans, Edible Oils, Meals

U.S. exports of soybeans, edible oils, and cakes and meals in January dropped sharply from the high tonnages of previous months. The drop resulted from a dock strike which greatly restricted exports during a potentially active demand.

Soybean exports from the United States in January amounted to only 3.7 million bushels, down 15.0 million from the previous month. However, cumulative exports during the first 4 months of the current marketing year (Oct.-Jan.) remained slightly above those in the first 4 months of 1961-62. Major destinations for U.S. soybean exports in January and their respective percentages of the total were: Italy 28, Japan 24, the Netherlands 23, and Belgium 10.

Commercial *edible oil* exports (soybean and cottonseed) in January at 66.7 million pounds dropped nearly one-half from the preceding month. Data on "Foreign donations" exports (movements of soybean and cottonseed oils under Title III of Public Law 480) for January are not yet available. Cumulative commercial exports during October-January were, however, 10 percent above those of the comparable period in 1961-62.

January exports of *soybean oil,* excluding Title III, P.L. 480 shipments, at 49.4 million pounds were down sharply from those of December. Major destinations and percentages of total exports were: Spain 82, Iran 8, Morocco and Canada, 4 each. Cumulative commercial exports were up nearly three-fifths from the same period in 1961-62.

Commercial exports of *cottonseed oil* in January at 17.3 million pounds dropped significantly from the preceding month. January export destinations and their percentages of total exports were: Morocco 38, Japan 28, Iran 25, and

Canada 7. Cumulative commercial exports through January of the current marketing year were down two-fifths from the comparable period of a year ago.

U.S. cake and meal shipments in January at 40,100 short tons dropped by two-thirds from December, while cumulative exports were up one-third from the corresponding period of last year.

Soybean meal accounted for virtually all the U.S. exports of cakes and meals in January. Major destinations and percentages in January were: Canada 39, Spain 38, France 11, and Denmark 8.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and unit	January		Oct.-Jan.	
	1962 [1]	1963 [1]	1961-62 [1]	1962-63 [1]
Soybeans Mil. bu.	10.9	3.7	71.7	71.8
Oil equiv. Mil. lb.	119.3	40.7	787.0	788.6
Meal equiv. 1,000 tons	225.3	87.0	1,684.5	1,687.8
Edible oils				
Soybean:				
Commercial [2] Mil. lb.	38.9	49.4	172.0	272.1
Foreign donations [3] do.	43.4	(4)	88.7	(4)
Cottonseed:				
Commercial [2] do.	63.8	17.3	166.3	100.2
Foreign donations [3] do.	17.6	(4)	41.1	(4)
Total oils do.	163.6	66.7	468.1	372.3
Cakes and meals				
Soybean 1,000 tons	82.7	39.1	353.9	414.9
Cottonseed do.	0.2	0.2	2.5	37.6
Linseed do.	(5)	—	11.6	32.7
Total cakes and meals [6] do.	83.0	40.1	368.2	489.9

[1] Preliminary. [2] Compiled from records of the Bureau of Census; includes Titles I and II, P.L. 480. [3] Title III, P.L. 480. [4] January figures not available at this time. Quantities believed small. [5] Less than 50 tons. [6] Includes peanut cake and meal and small quantities of other cakes and meals.
Compiled from records of the Bureau of Census and USDA.

Philippine Desiccated Coconut Exports Up

Registered exports of desiccated coconut from the Philippine Republic in February amounted to 4,381 short tons; in February 1962, they were 3,199 tons.

Exports of January-February 1963 totaled 8,327 tons—an increase over the 6,146 tons produced in these months last year. Shipments to the United States reached 7,076 tons compared with 5,338 in January-February 1962.

Indonesia's Exports of Copra, Palm

Registered exports of copra and palm kernels from Indonesia dropped during October 1962, while exports of palm oil rose from those of September.

Exports of copra, at 901 long tons, were down from September shipments of 1,634 tons, and well below the 13,869 tons exported in October 1961. Exports during January-October 1962 totaled 62,120 tons—only 35 percent as large as the 176,524-ton volume exported during January-October 1961.

Registered exports of palm oil increased to 15,964 short tons in October from 5,094 tons the month before; exports in October 1961 were 13,244 tons. Exports during January-October 1962 were 86,660 tons as opposed to 101,222 tons during the corresponding months of 1961.

Palm kernel exports in October, at 2,211 short tons, were less than the 3,477 tons shipped in September 1962 and the 4,160 tons shipped in October 1961. Exports during January-October 1962, at 27,148 tons, were slightly less than the 28,549 tons exported in the corresponding period of 1961.

January Suez Canal Shipments Up

The volume of oil-bearing material shipments northbound through the Suez Canal in January 1963 was 19 percent above that of December 1962 (*Foreign Agriculture*, Feb. 25, 1963) but 13 percent less than in January 1962.

Total shipments of all oil-bearing materials through January 1963 of the U.S. marketing year (beginning October 1, 1962) were 7 percent greater than shipments during the comparable period a year ago. Of continued significance were the increases registered in shipments of cottonseed, largely from the Sudan, of castorbean, largely from Thailand, and of peanuts, believed largely to originate in India. These more than offset the sharp declines in soybean shipments from Mainland China and in palm kernel shipments from Malaya and Indonesia.

SUEZ CANAL: OIL-BEARING MATERIALS, NORTHBOUND

Item	January		October-January	
	1962	1963	1961-62	1962-63
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	79,121	16,937	104,120	17,270
Copra	32,197	55,105	237,749	254,131
Peanuts	26,635	36,295	66,727	102,995
Cotton seed	17,957	26,549	35,466	95,225
Flaxseed [2]	6,794	5,268	13,908	9,352
Castor beans	2,371	6,252	12,351	22,424
Palm kernels	3,922	2,847	15,767	7,579
Others	14,878	11,052	33,300	48,376
Total	183,875	160,305	519,388	557,352

[1] 1 metric ton of soybeans equals 36.743333 bushels.
[2] 1 metric ton of flaxseed equals 39.367857 bushels.
Suez Canal Authority, Cairo, Egypt.

The sharp decline in the volume of soybean shipments during the first 4 months of the marketing year continued to reflect relatively small export availabilities from Mainland China and the diversion of those availabilities to the Japanese market.

SUEZ CANAL: SOYBEANS, NORTHBOUND

Month and quarter	Year beginning October 1				
	1958	1959	1960	1961	1962
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
January	2,572	4,483	3,711	2,907	622
February	4,446	4,850	1,396	548	——
March	3,417	4,666	955	627	——
Oct.-Dec.	4,189	8,598	919	919	12
Jan.-Mar.	10,435	13,999	6,062	4,082	——
April-June	9,700	8,635	1,213	239	——
July-Sept.	5,879	2,756	2,756	328	——
Oct.-Sept.	30,203	33,988	10,950	5,568	——

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Portugal's Olive Oil Production Drops

Portugal's 1962-63 olive oil production is officially estimated at 67,700 short tons, over 45 percent below the record outturn of 125,400 tons produced in 1961-62. The current estimate is one-fifth below the annual average of 85,800 for the 4-year period 1954-55/1957-58.

This off-year decline resulted mainly from the biennial yield cycle and unfavorable weather conditions. In recent years, however, production has trended upward because of increased annual plantings of new trees and improved methods of disease control. Overall yearly increases are therefore expected in the future.

Edible oil consumption in Portugal is limited to olive and peanut oils. Imports of other edible oils are prohibited to protect the domestic olive producers and the peanut producers in Portuguese Provinces of Africa. No olive oil has been imported since 1960 and Olive Oil Board officials estimate none will be imported in 1963.

Exports of olive oil in 1962 amounted to 18,678 tons but are expected to decline in 1963 because of increasing consumption and reduced supply.

Philippines Ships More Copra/Coconut Oil

Recorded copra and coconut oil shipments from the Philippines in January-February 1963, as compiled from monthly data on registered shipments, totaled 127,602 long tons for copra, and 33,948 for coconut oil. This was an increase of over one-fifth for copra and over 1-1/3 for coconut oil from 1962 shipments.

Exports during the comparable period in 1962 amounted to 104,178 and 14,348 tons, respectively. Recorded exports in January alone amounted to 70,650 tons of copra and 18,839 tons of coconut oil.

Japan's Soybean Meal May Be Liberalized

According to trade sources, the Livestock Bureau of the Japanese Ministry of Agriculture and Forestry has recommended that soybean meal be liberalized soon. The Bureau maintains that a shortage of the meal is hindering the development of the livestock feeding industry and that this industry will be unstable if it has to rely on domestic soybean meal, which has been fluctuating widely in supply and price.

While liberalization had been expected about July 1, 1963 (*Foreign Agriculture,* March 11, 1963), recent press reports indicated it probably would be postponed for at least another year. However, with the strong support of the Livestock Bureau and such industry groups as the shoyu and miso producers, the timing of liberalization may be reconsidered.

Italy Encourages Olive Oil Imports

The Italian Government on February 24, 1963, widened the ratio between compulsory purchases of government-held seed oil and authorized imports of olive oil from 1:8 to 1100. Now for each unit of government-held seed oil purchased, dealers will be permitted to import 100 units, instead of 8 units, of olive oil. The 1:8 ratio was established in December 1962 replacing the formerly existing ratio of 1:1-6.

This attempt to encourage olive oil imports was made to help combat rising food prices.

Brazil May Have Another Big Peanut Crop

Despite excessive rains, Brazil's 1963 peanut production is expected to be only moderately smaller than last year's record: 495,000 short tons from 753,650 acres compared with 530,000 tons from 778,365 acres.

At planting time for the wet-season crop, farmers planted fewer acres, chiefly because of a difficulty in disposing of the 1963 crop. Also, there were heavy rains. However, the weather improved and indications are that the crop, plus the dry-season one, will be larger than expected.

It is estimated that about 347,000 short tons of peanuts were crushed in 1962, yielding about 111,000 tons of oil. The forecast for 1963 is for crushings of 330,000 tons and an oil outturn of about 106,000.

There were no exports of peanuts during the first 9 months (latest data available) of 1962. Exports of peanut meal and peanut cake in the same months were 61,234 and 5,980 tons, respectively. Spain, France, West Germany, and the Netherlands were the major markets. In calendar year 1961, Brazil's exports of peanuts and peanut products were as follows (in short tons): Shelled peanuts —3,552; unshelled peanuts—1,547; peanut meal—116,-761; and peanut cake—7,642.

If peanut prices continue favorable to the farmer, Brazil's peanut production probably will increase further in the next 4 or 5 years, but at a slower rate than in recent years.

Less Olive Oil Produced in Italy

Italy's 1962-63 outturn of olive oil is officially estimated at 341,700 short tons, down one-fifth from the record 433,500 tons produced in 1961-62.

The decline in this season's outturn results from prolonged drought last summer as well as snow and severe freezing weather in January and February 1963. Some olive tree damage occurred in Calabria, Puglia, and other parts of southern Italy. However, no tree damage was reported in Sicily. Tree damage, restricted largely to young and freshly pruned groves, is expected to reduce next year's output significantly.

EEC Lowers Olive Oil Import Duties

The European Economic Community's Council of Ministers approved a Decree on March 6, 1963, which provides for suspension of custom duties on olive oil imported from EEC countries. The Decree also provides for reduction of customs duties on olive oil imported from third countries. Prior authorization of the Council of Ministers was necessary because the third-country duty reduction fell below the common external EEC tariff. This decree will remain in effect until April 30, 1963.

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11 Sweden's Butter and Cheese Exports Higher
11 U.K. Extends Butter Import Control

Fats, Oilseeds, and Oils

13 U.S. Exports of Soybeans, Edible Oils, Meals
14 Philippine Desiccated Coconut Exports Up
14 Indonesia's Exports of Copra, Palm
14 January Suez Canal Shipments Up
15 Portugal's Olive Oil Production Drops
15 Philippines Ships More Copra/Coconut Oil
15 Japan's Soybean Meal May be Liberalized
15 Italy Encourages Olive Oil Imports
15 Brazil May Have Another Big Peanut Crop
15 Less Olive Oil Produced in Italy
15 EEC Lowers Olive Oil Import Duties

Fruits, Vegetables, and Nuts

11 Large Supply of Cashews in India
12 Iranian Almond Blossoms Damaged
12 U.K. Sets Fresh Grapefruit Quota

Grains, Feeds, Pulses, and Seeds

5 Grain Prices Proposed for EEC Countries
9 Severe Winter Hampers Russian Agriculture
9 Canada's Wheat and Flour Exports Lower
9 India's Rice Crop Reduced by Drought
9 Ivory Coast's Rice Imports

Livestock and Meat Products

10 Ireland Sets Beef Buying Record
10 January Livestock, Meat Imports Down
10 U.K. Lard Imports Rise in January
11 Australian Meat Moves to the U.S.

Sugar, Fibers, and Tropical Products

9 Ivory Coast Coffee Ready for Market
10 Guatemalan Fiber Production Lower
10 Zanzibar Plans More Clove Oil Exports
10 India Said to be Upping Sugar Output
10 Swiss Buying Less Coffee

Tobacco

12 Dock Strike Curtails January Tobacco Exports
13 Cigarette Output Rises in Malaya
13 Norway's Cigarette Output Down
13 New Cigarette Factory in Northern Rhodesia